

Information Services Board Briefing Paper on the Department of General Administration's Procurement System Strategy

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Description

GA will present its plan for current and future GA e-commerce initiatives that address selected business problems, and how those initiatives will incorporate the lessons learned from TUPS.

Background

The Department of General Administration's (GA) Office of State Procurement (OSP) initiated a project for a new statewide purchasing system that used the Internet to automate the purchasing process. The Ultimate Purchasing System (TUPS) was to automate the selection, request, approval, order, and receipt of goods as well as the payment functions that interface with the state's central Automated Financial Reporting System (AFRS). Specifically, GA contracted with a vendor, American Management Systems (AMS), which hosts purchasing and catalog systems on AMS's own platform to install and run TUPS.

The objective of TUPS was to reduce the staff time and effort involved with procurement and payment processes, while providing increased accountability for the state's \$1 billion per year in commodity purchasing. Additionally, the system would have eliminated manual data entry into state systems and the need for vendors to report contract usage back to the state.

Rob Fukai, Director of the Department of General Administration, reported to the ISB on June 13, 2002 regarding his decision to terminate the AMS contract for the TUPS system. During discussion with the ISB, Mr. Fukai acknowledged the need to provide processes to meet the ongoing state procurement requirements that the TUPS system was intended to address. The state, for example, is unable to maximize supplier discounts without transaction-level data. Furthermore, purchasing and payment processes are labor intensive. The Board asked Mr. Fukai to return to the ISB and provide a report outlining the strategic e-commerce initiatives that GA is undertaking, discuss the lessons learned related to the project management of TUPS, and review how GA now plans to incorporate the lessons learned to ensure the success of future e-procurement projects.

In September 2002 GA provided a status report to the Legislature on the TUPS project. That report addressed the specific issues leading to the decision to not deploy TUPS, technical problems related to TUPS, project management lessons learned, and information on how e-procurement will be pursued in the future. The report provided details related to lessons learned and success achieved by the project in the areas of increased knowledge of the state's procurement and payment processes, improved procurement techniques, how suppliers can benefit, savings related to paperless payments, and performance issues and technical system benefits.